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6 May 1976

MEMORANDUM FOR: Director of Central Intelligence
FROM : E. H. Knoche
George A. Carver, Jr.
SUBJECT : The Management of National Production

The following proposal for the management of non-current national production has been developed jointly by Messrs. Knoche and Carver and reviewed with Admiral Murphy. It reflects an approach on which all three of these officers agree and which they feel will take care of your concerns about present arrangements while preserving and improving a flexible instrument designed to help you discharge what are among your most important responsibilities: being the substantive fount of national intelligence.

1. Organizational Location: The entity managing national non-current production will be part of the Office of the Director of Central Intelligence, reporting directly to and being supervised directly by him. This entity and its head, however, will have to work continuously in close, cooperative concert with your Agency Deputy, your Community Deputy and their respective subordinates.

2. The Basic Building Block -- National Intelligence Officers: The basic conceptual building block of the new entity will be that of the National Intelligence Officers, essentially as they are now constituted but with some adaptation and modification.

a. Each NIO will be a senior staff officer (slotted at the GS-18 level or military equivalent) who will serve the DCI directly and speak in his name as his senior counsellor on that NIO's area of substantive responsibility.

-- The mix of NIOs will be flexibly adjustable in accordance with the DCI's wishes. The number of NIOs and the apportionment of portfolios among them will depend on

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your perception of the DCI's needs and your concept -- at any given time -- of what are the major areas of substantive responsibility (functional or geographic) for which you want the support of a designated NIO.

- The NIOs will be used as a device to knit the Community together and also to bring in fresh thinking from outside the Community plus, where possible, outside the government. They will be drawn as much as possible from throughout the entire Intelligence Community, plus non-intelligence government components and, where feasible, the non-governmental world. In principle, NIO assignments will be rotational ones of two to three-year duration.
 - The NIOs will not constitute a separate production office (see below). Each of them will serve you as an advisor in his or her specialty and as a coordinator who, acting on your behalf, can focus the resources of the entire Community on particular problems of major substantive importance.
 - To minimize the risk of bureaucratic layering, each NIO will -- in principle -- be limited to one Assistant (at the GS-15/16 level or military equivalent) and one secretary. This rule might be adjusted in certain individual accounts, but the reasons for giving an NIO more than one Assistant would have to be exceptional and doing so would require your personal approval.
- b. The NIO structure will have a small editorial staff (three to five people) to assist in maintaining the quality of output.
 - c. The NIO structure would also have a small reproduction facility to maintain flexibility and capacity to cope with requirements as they arise without unduly burdening the Agency's publications components.

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d. The NIO structure will be headed by a senior officer, who will have no other duties and who has your personal trust and confidence. In effect, he will be your deputy for national intelligence, though for any of a variety of reasons -- cosmetic, political or other -- you may care to give him some different title. He will report directly to you in the sense that he will not be subordinate to either of your two principal Deputies. (Should you develop the Chief of Staff concept, the ground rules for relations between the head of the NIO structure, the Chief of Staff and you yourself can be worked out at that time.) The head of the NIO structure will be accountable to you for the total work of that structure and the total quality of its performance. He will also be responsible for ensuring that, at any given time, the totality of requests for intelligence support levied on the intelligence community by policy level consumers through this structure do not overburden the system (thus inhibiting the effectiveness of its responses). When circuits are in danger of becoming overloaded, he will raise this problem directly with requesting consumers (or ensure that it is so raised) and endeavor to get them to refine their requests or put them in some priority order, advising you of the problems involved as appropriate and enlisting your help when necessary.

3. Responsibilities: The NIO structure will be responsible and accountable to the DCI for:

- a. The management of non-current national production including:
 - Formal National Intelligence Estimates and Special National Intelligence Estimates
 - National Intelligence Analytical Memoranda

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- Interagency Intelligence memoranda and studies
- Intelligence Alert Memoranda
- Other analyses and assessments of varying degrees of formality requested by senior consumers -- or commissioned to fill an obvious need which the consumers themselves might not clearly perceive -- whose preparation involves the work of more than one component of the Intelligence Community.
- b. Supervising the preparation of the DCI's substantive briefings to senior Executive Branch bodies (e.g., the National Security Council and its major subcommittees such as the Washington Special Action Group) and his substantive briefings to various Congressional committees.
- c. Providing a coordinating mechanism, operating in the DCI's name and on his behalf, to focus the talents and resources of all Community components involved on problems of particular importance, e.g., the work on Soviet collection now done by the NIO for Special Activities.
- d. Maintaining continual dialogue with senior consumers at the Assistant Secretary level or above, or their military equivalents, to ensure that their needs are identified, that they receive the best intelligence support obtainable to assist them in their policy duties, and to provide a channel for continuous feedback and two-way communication on intelligence matters. This responsibility will also entail the service function (in each major substantive area) of giving the policy level consumer one point of contact to which he can turn for any form of intelligence support, knowing that his request will be brokered to those elements of the Community best equipped to handle it.

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- e. Within the Intelligence Community, developing and maintaining continuous interaction and dialogue among all who work on any given substantive area -- collectors, analysts and producers -- so that they can get to know each other and all can benefit from the contributions of their colleagues.
 - f. In the DCI's name, maintaining contact with knowledgeable experts outside the government in each major substantive area to improve the flow of ideas and ensure that intelligence production benefits from the best analyses and thinking attainable anywhere within the United States.
 - g. Developing major substantive requirements through the operation of the substantive aspects of the Key Intelligence Question mechanism or whatever modified successor to that approach is endorsed by the present DCI. (In this sphere, and related areas, the NIOs will work closely with your Community Deputy and the latter's staff as outlined in paragraph 9 below.)
 - h. Performing any other services the DCI wants them to perform, such as giving him an independent appraisal of the probable risks, benefits and chances of success of covert action proposals.
4. Production Mechanism:
- a. Except in rare instances, the NIOs would not function as a production office* and the NIO structure would not include a drafting staff.

* There could be (and have been) occasional instances where, on matters of great sensitivity, some senior official such as the President or his Assistant for National Security Affairs might want a substantive comment quietly prepared by only one person.

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- b. The actual drafting of national products would be done by line officers drawn from the Community component or components best equipped to handle the particular project in question.*
- c. The drafting of national products would be done under the supervision of the NIO responsible for the project in question. The draft produced would not be viewed as an institutional product, i.e., neither the office nor the component to which the drafter(s) belong would be bound by the draft or obligated to support it during the coordination process.
- d. After a draft has been produced and reviewed (see paragraph 5 below), it would be submitted to concerned line components for coordination and discussion. The precise nature of these coordination procedures would vary with the formality of the document -- NIEs and SNIES being the most formal. In every instance, however, line entities would have ample opportunity to express their views during the coordination process and the NIO responsible would be under an obligation to ensure that the final product fairly reflected significant differences of judgmental opinion when and where these occurred.**

* The procedures for minimizing the disruption of line offices' work and erosion of line command jurisdiction entailed by this approach are outlined in paragraph 6.

** Coordination between and among Intelligence Community components is an essential feature of the production of truly national products. The concept of coordination operative here, however, does not involve the development of consensus -- lowest common denominator -- judgments. Divergent views will be submitted, as they should be, to the clash of debate and argument among knowledgeable experts, but where significant differences of informed opinion remained unresolved on important issues, these differences will be clearly, even sharply, reflected in the final finished products so that policy level consumers can know that there are such differences, what they are, and what are their bases.

5. Collegial Review (The Intelligence Advisory Panel): One criticism of the current approach has been that national products do not, at any stage in their production, formally receive collegial scrutiny and review. This deficiency will be rectified by the following steps:

- a. The creation of an Intelligence Advisory Panel to the DCI. This Panel will consist of approximately three dozen people of extraordinary competence in key substantive areas, who are also articulate, logical and generally insightful. The members of this Panel would be drawn from within the Intelligence Community, the non-intelligence components of the government, and -- to the extent feasible -- the outside world: academia, industry, and even (if possible) the world of journalism.
- b. The optimum point in the production process for collegial review is after the basic draft is prepared and before it is circulated for coordination. Consequently, on each NIE/SNIE or other significant national product (unless deadlines make this absolutely impossible), three people will be picked from the Intelligence Advisory Panel to go over that particular product at that stage in its production.*
-- Arrangements will be made for the Panel members to have copies of the draft in sufficient time to go over them thoroughly in private.

* Normally at least two of the three members of the Panel convened to review a particular paper (national product) will not be specialists in the subjects addressed in that paper. For example, an optimum panel to critique an estimate on German political developments would include a Sovietologist and an Economist -- plus, perhaps, a Far Eastern expert, who could subject it to critical scrutiny from the standpoint of a sophisticated outsider.

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- After that, the three Panel members involved will meet in Washington and spend whatever time is necessary -- usually a day -- going over the draft of the national product with the NIO (and his/her Assistant), the project chairman and the drafters. They will critique the draft for adequacy, balance, objectivity, coherence and overall quality, ensuring that it addresses the right questions, is clear, is cogent, and takes proper account of ancillary issues and critical variables.
 - Membership on the Intelligence Advisory Panel would not entail a large expenditure of time over a prolonged period, but it would entail a willingness to work intensively for periods of short duration. The reason for having a Panel of approximately three dozen is to ensure that on any given national product, one could select three good reviewers appropriate to that particular project.
- c. The Intelligence Advisory Panel will not only provide a mechanism for the most useful kind of collegial review; it can also serve as a vehicle for giving the DCI advice on the overall quality of the national production effort and engaging in that effort the best talent available in the United States. While the Panel would seldom, if ever, meet as a whole (except, perhaps, for an occasional ceremonial dinner), various members of it could and would be convened to participate in seminars or discussion groups critiquing the totality of our effort in various fields (as well as serving on troikas specifically reviewing specific papers).
- d. Though the panel would be advisory to the DCI, its normal point of contact with the DCI's office would be the head of the NIO structure. The latter,

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in turn, would need a full-time special assistant (who could be styled the Panel's Executive Secretary) who would handle the details involved.

6. The Minimization of Line Disruption: Since the NIO structure will not have its own independent drafting staff and, hence, will be forced to borrow talent from line components, some intrusion on line offices is inevitable. The amount of this intrusion, however, can be minimized by the following steps:

- a. There will be created a steering group consisting of the head of the NIO structure and the heads of the major production components of the Intelligence Community (or their designees). This group will meet regularly to review the totality of the national production effort and ensure that the workload involved is properly and fairly distributed. This group -- or sub-committees it appoints for these purposes -- will keep production schedules and requests for specific projects involving extensive work under continuing review to ensure that the disruption to line components is minimized and that the tasking necessitated by requirements for national products is handled in the most efficient, least disruptive fashion possible.
- b. Each NIO will be specifically charged with levying his tasking requirements through the appropriate chain of command of the Intelligence Community component or components involved. The particular procedures used by each NIO with each individual Community component will be worked out with that component's head so that the NIOs make their contacts with his office in the way that component's head wants them made.

- c. Any component head who feels that NIO-sponsored tasking is disrupting his office will be encouraged to take this matter up initially with the NIO involved, then with the head of the NIO structure and -- if that does not prove satisfactory -- directly with the DCI.
- d. The NIOs individually and the head of the NIO structure will work cooperatively with all component heads and will support any reasonable requests for additional resources these component heads feel are needed to handle requests for national products passed through the NIO structure.

7. Credit: Some measure of tension between staff entities and line components is inevitable, but the procedures just outlined will do much to minimize friction. One additional step, however, is also necessary in this sphere -- the proper apportionment of credit for work done by others:

- a. When a national product involves the work of more than one Intelligence Community component, identification of the offices and components contributing to it will appear in a prominent place on either the cover, the title page, or the first page of the work in question.
- b. In those instances (and there will be many) where a request from a senior consumer, passed through the NIO structure, in fact can be and is met by a product which is predominantly the work of a single Community component, that component will get full credit for the response. Usually, this will involve having the response printed as a product of the component which produced it and simply forwarded by note or buckslip from the NIO to the consumer, with the transmittal vehicle calling attention

to the fact that the consumer's request was taken care of by the attached "CIA Memo," "DIA Memo," etc.

8. The CIA Relationship: One of the NIOs' main functions is to help knit the Community together as an organic whole and, in producing national intelligence, draw on the totality of Community resources. It is a fact of life, however, that the bulk of the Community's analytic talent (not all of it by any means, but nonetheless the bulk) is to be found in CIA, whose legitimate equities and interests must be protected for a variety of obvious reasons. Thus, the NIO/CIA relationship is both special and crucial. It must be symbiotic and in no way adversary. Arrangements will be worked out with your CIA Deputy to ensure that he is kept abreast of all of the use that the NIOs are making of CIA resources. These arrangements will take whatever form and follow whatever procedures are desired by your CIA Deputy. It will serve all interests to ensure that the CIA contributions to the process are not obscured in the assembly of a Community product.

9. Relations with the Deputy to the DCI for the Intelligence Community: Though the NIOs, under this concept, would not be a component of the IC Staff subordinate to the D/DCI/IC, the relationship between the NIO structure and the D/DCI/IC will obviously have to be a close and cooperative one -- particularly with respect to the DCI committees (formerly USIB committees) on whom the NIOs will have to draw and rely for many things and for which your Community Deputy has supervisory responsibility. The mechanics of this relationship will be worked out in a manner mutually agreeable to your Community Deputy, the head of the NIO structure and -- of course -- yourself.

- a. These arrangements will be devised to ensure an improved, constructive and mutually supportive relationship between the NIO structure and the Intelligence Community Staff to
 - give your Community Deputy guidance with respect to basic needs, requirements, future perspectives, etc.

-- help the D/DCI/IC strike the right balance between resources and substantive needs, matching the former to the latter wherever possible but arranging substantive needs in priority order in areas where resources are inevitably finite.

-- assist the D/DCI/IC in his and his staff's evaluation work.

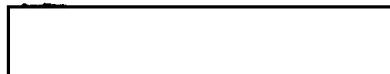
b. These arrangements will also be deliberately structured to minimize areas of non-productively overlapping responsibilities. The NIOs, for example, will be in continuous touch with consumers to stay abreast of their evolving needs; the IC Staff will be responsible for after-action evaluations of products and services -- but both will contribute to giving you overall assessments of the Community's total performance.

10. Support to the DCI: Under the concept here proposed, the NIO structure is an integral part of the DCI's office. There will, therefore, have to be continuing close contact between its head, your Agency Deputy and your Community Deputy (plus, if you create one, your Chief of Staff). All of these officers will endeavor to ensure, collectively, that you receive the most efficient and the best possible support in the discharge of all of your responsibilities and, hence, that you are able to give the President and his senior advisors products of the highest quality and, overall, the best intelligence in the world.

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